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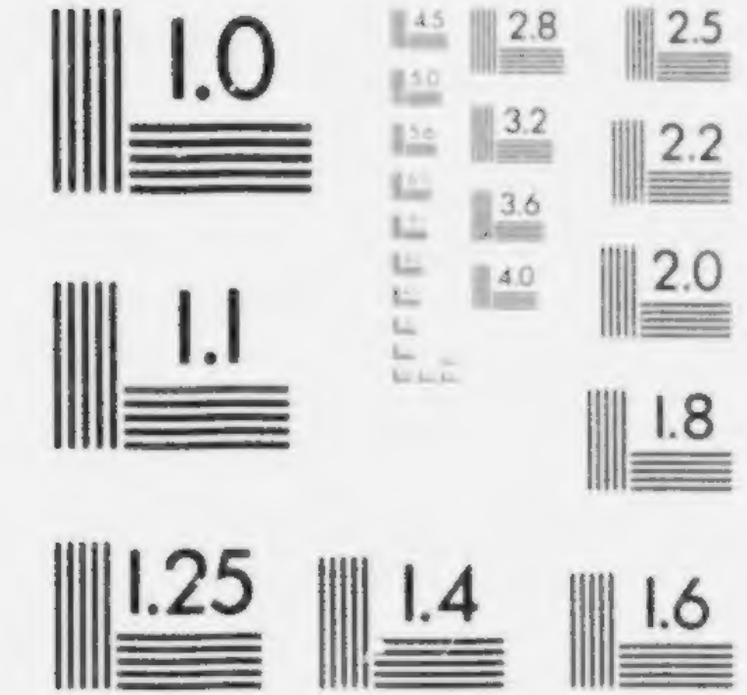

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REPLY

BY

Hon. Dr. J. D. MacLean

Minister of Education and
Provincial Secretary

To Statements of MR. W. J. BOWSER

Conservative Leader

In an Address delivered by him
at Greenwood on June 14, 1920

KING'S PRINTER
VICTORIA, B.C.

REPLY TO AN ADDRESS

Delivered at Greenwood by Mr. W. J. Bowser, Conservative Leader, on June 14th, 1920.

INTRODUCTION.

THE Leader of the Conservative Opposition in the Legislative Assembly has made statements in recent speeches and addresses delivered by him throughout the Interior of British Columbia which I hold should not be left unchallenged. Many of these statements were based on unfounded premises, and, taken together, they formulate a tissue of misstatements of fact, suppositions, unwarranted inferences and charges against the Government which are wholly insupportable. I have therefore undertaken in this pamphlet to correct these misstatements and present the facts respecting the matters dealt with by Mr. Bowser in his speeches, having particular reference to his address at Greenwood on June 14th last.

The first observation to which I shall address myself is Mr. Bowser's reflection that I, as your representative in Parliament, had not visited the district I represent with sufficient frequency. In other words, the insinuation was that, having become a member of the Government, I had become detached from your interests and indifferent to your welfare.

You are aware that, being a member of the Government, it is imperative that I reside in Victoria, where the business of Government is carried on. As a Minister of the Crown I am responsible for the administration of two departments, the combined expenditure of which reaches the sum of $5,000,000 per annum. I am paid a salary for the proper and capable administration of these departments, and I think the first claim upon my time and energies demands that I should give the most capable service possible for the salary I receive. It is only during the summer season that a Minister can leave his office conveniently, and then only temporarily and for short periods. I admit that my choice and inclination would have led me to spend much more time in Greenwood Riding than I have been able to do. But, for the reasons I have stated, and for the additional reason that there was sickness in my family during 1918 and again in 1920, my choice in this matter has been limited and governed by circumstances.

It was the habit of the Ministers in the old McBride-Bowser regime—especially during the last six or seven years of that regime—to run about the country, cross the Atlantic frequently, keep the machine well oiled by personal contact, leaving the responsible business of the Government to be carried on by departmental heads. The result was that in the last seven years they were in office the debt of the Province had increased

to $18,000,000. This, together with the undertaking of the construction of the Pacific Great Eastern Railway, was the reason why the present Government found it necessary to increase taxation when we took office.

Mr. Bowser also tried to convince you that I, as your representative, had done nothing for my riding. I want to show you that, notwithstanding the fact that I have not moved round among you as often as I should like to be able to do, the interests of the riding have not been overlooked. On the contrary, I have kept a close watch on the needs of the district and take some satisfaction in pointing out that a great many things have been accomplished in your interest.

Every request made to me for a trail to mineral prospects or mining developments has been granted.

Every promise made by me in the campaign of 1916 has been fulfilled.

The main Kettle River Road has been extended, and I am sure you will concede that I had something to do with that.

The Heinze lands have been taken over by the Government for non-payment of taxes and will be available for settlement before the end of this year.

The Government office at Greenwood has been kept open despite the remarks of Mr. J. W. Jones, Conservative member for South Okanagan, during the last session of the House.

Legislation has been passed which will compel the irrigation of the Midway Flats. This is a very tangled affair and is taking longer than I anticipated.

These are specific instances which show that, in all matters of importance to the district, I have given the closest attention and my efforts have met with a measurable degree of success.

You know, too, that during the four years we have been in office there has been a great deal of progressive legislation passed. I think I am not claiming too much when I claim to have had a share in the consideration of this progressive legislation, and, in common with the other members of the Government, I have spent a good deal of time putting such legislation into proper shape for submission to the House.

You will have to regard Mr. Bowser's attempt to put a slight upon my work and my interest in your welfare as just so much more of the cheap criticism which characterizes most of his campaign addresses.

Provincial Finances.

The question of the financial status of the Province is one of the most important of all the matters we have to consider. In spite of this fact, I find that Mr. Bowser, when he addressed you here, dealt with the question as if it were a subject for mere buffoonery. He read to you, I am told, an article published in the *Financial Times* purporting to be authorized by Hon. John Hart, Minister of Finance. This article dealt with the enormous resources of the Province and the valuable assets at our disposal. The Leader of the Opposition seemed to think this was strange talk—after the way the Liberals had complained of the prodigal dissipation of these assets by the former Government. He complained,

too, that Hon. Mr. Hart had gone East to negotiate a loan for $4,000,000 to complete construction of the Pacific Great Eastern Railway to Prince George, but had returned with the vague statement that he had disposed of only $2,000,000 worth of bonds. Mr. Bowser stated that these bonds had been "hawked around" to Toronto and New York brokers and gave some bewildering figures as to interest rates, discounts, exchange, and such financial matters, leading you to believe that the financial administration of the Province is in a very bad way. He told you that loans should be for twenty years to allow exchange to become adjusted, but he was afraid that the financiers—knowing the reckless expenditure of the Government—were willing to lend for only five years.

What an offensively cheap way this is of dealing with so important a matter. The most that can be said for them is that they furnish ground for giving you a terse, authoritative, and complete refutation of every insinuated charge the Leader of the Opposition makes.

Later in his address, however, he returns to this subject, probably realizing that his first effort must have been ineffective. He said, in this second heat, that the late Premier Brewster had stated that the net debt of the Province—soon after the Liberals took office—was $18,000,000 after deducting sinking funds. Mr. Bowser asserted, too, that in March of this year the debt had climbed to $28,000,000 or $32,000,000, less the sinking funds, making an increase of $12,000,000 during four years of Liberal administration.

One would suppose that a public man, dealing with high finance, would be able to tell you whether the debt is $28,000,000 or $32,000,000. Mr. Bowser does not seem to know which. Moreover, he says the increase is shown to be $12,000,000, which, according to his figuring, would make it $30,000,000. Not $28,000,000 nor $32,000,000. I point this out only to show you that a few millions, more or less, in Mr. Bowser's calculations and his public statements make no difference at all to him. They simply do not count.

Let me analyse these assertions of Mr. Bowser and see how they correspond with facts. The Hon. Minister of Finance went East to negotiate the sale of securities for completing the construction of the Pacific Great Eastern Railway to Prince George. The amount required was $4,800,000. This was a debt handed over to the Liberal Government by its predecessor. The money had been borrowed by them from the Union Bank and the securities of the Pacific Great Eastern Railway deposited with them for the repayment of this loan. We did not borrow this money excepting to pay a debt incurred by the Government of Mr. Bowser.

More than this, the Minister of Finance was compelled to retire this loan at a time when the money markets of the continent were in a feverish and restless condition. I need not tell you that it was the worst time in a period of years for the negotiation of money, either by Governments, private individuals, or corporations. But by marketing only $2,000,000 worth of securities the Minister of Finance was able to meet immediate liabilities. No time was wasted and no exorbitant rate of interest was assumed.

But what happened immediately following this? By not selling the remaining $2,800,000 worth of bonds in the East the Minister was able to dispose of them right here at home, through a local syndicate, effecting a saving of approximately $40,000 to the taxpayers of the Province.

There was, therefore, no "hawking round" of these bonds, but an intelligent grasp of the situation, capably managed, and with the saving I have stated. Instead of having to "hawk" bonds round the East, the Minister of Finance directs attention to the fact that since that loan was floated he has put another loan on the market. This was for $3,000,000 and the whole amount was oversubscribed in twenty-four hours.

It has not been the habit of the Minister of Finance to hawk bonds in the Eastern markets. Once before he went East to negotiate loans to meet obligations incurred by our predecessors in office and came home without having sold his bonds. In 1918, when the Treasury needed money badly, the Minister held off until conditions improved, and by doing so effected a saving of $750,000 to the Province. Any one can sell Provincial bonds at any time if he is willing to accept market conditions. But I think you will agree that the Minister of Finance showed capacity for his office when he awaited more favourable conditions and effected such considerable saving to the country.

The Minister of Finance does not agree with Mr. Bowser that loans should be for twenty years—at least, not at the present time. And I am inclined to think his reasons for his conclusions are more sound than the opinion of Mr. Bowser. The rates of interest are higher now than they can possibly be for the next five years, perhaps ten years. If a loan were made at the present rates of interest the Government would be perpetuating this high rate of obligation for all that time. That certainly would not be in the interests of the taxpayers. There is no doubt that, when exchange rights itself and money becomes more liquid, interest also will be lower. So that a short-term loan appears to be the wiser policy in borrowing just now.

Now, in view of all this loose talk, you have a right to know something of the financial standing of the Province, and some of the particulars of the administration of that Department by the present Government and of our borrowings, as well as the purposes to which we have put the money borrowed. There is no reason why you should content yourselves with half the truth in regard to these matters. Nor is there any reason why Mr. Bowser should come before you and mystify you with financial statements—many of them at variance with the truth—when he had all the figures in his possession and knowledge.

During the sessions of 1920 the Hon. Minister of Finance, in answer to questions put by Mr. Bowser, gave all details of this information. His answer to the questions showed that the total borrowings of the present Government—since December, 1916, when they took office—have been $13,770,000.

In order that there may be no misunderstanding as to the purpose of these loans, and in order that you may rest assured of the frankness and candour of the Government in this connection, I will append a table

showing just where every dollar was invested and why this money had to be borrowed. Here is the table:—

Recapitulation—	
(*a.*) Loans to Pacific Great Eastern Railway Company for construction-work	$5,450,000
(*b.*) Loans to farmers through the Land Settlement Board	1,800,000
(*c.*) Loan to the District Municipality of South Vancouver	790,000
(*d.*) Loans to municipalities for better housing of soldiers	750,000
(*e.*) Loans made under "Department of Industries Act"	110,000
(*f.*) Expenditures in carrying out of the "Soldiers' Land Act"	170,000
(*g.*) Expenditures for the conservation of irrigation-works	200,000
(*h.*) Expenditures by Department of Public Works on permanent works	500,000
Total	$9,770,000
(*i.*) To meet deficits and liabilities left by previous Administration	4,000,000

(NOTE.—No amounts were borrowed by the present Administration to cover current expenditures incurred since it took office. All of these will be repaid to the Government excepting (*h*) and (*i*).)

You will note two items in this table which explain the financial problems left over for this Government to solve and the obligations we inherited. I refer to the $5,450,000 expenditure on the Pacific Great Eastern Railway and $4,000,000 of deficits and liabilties of the previous Administration. We did not undertake the building of the Pacific Great Eastern Railway. That was handed over to us—a priceless heirloom. We had to meet the debts of the former Government or be accounted bankrupt. These two items alone—items for which we in no way were responsible—absorbed $9,450,000 of our borrowings.

While I much should prefer to let the dead past bury its dead, I am bound to point out to you that when we took the reins of office we did not find the finances of the Province in a creditable condition. Much of our own trouble and worry has been caused by the necessity of rehabilitating the Province in the confidence of the world abroad. We have been hampered in carrying out our own well-matured plans by the limitations of our credit and the necessity for economical administration. We have had to work under the handicap of a load of debt, and it is only within the last year or two that the Government has been able to undertake any substantial progress along our own lines.

I may recall to your recollection something about Mr. Bowser's attitude you may have forgotten. When the present Government took office it had to apply the pruning-knife to public expenditure. We were compelled, by the state of the Treasury, the condition of the money market, and, above all, by war conditions, to economize in every manner possible. We cut down on public works, reorganizing the entire system of administration. And in every department we limited our expenditure to the lowest scale possible to carry on. During these two or three years Mr. Bowser went about the country decrying this policy. He told the people that the right thing to do was to borrow money and carry on every sort of public enterprise, "thus tiding over the hard times." He sowed seeds of discontent with our economical policy wherever he could.

Now, just as soon as we begin a series of development-works, undertake our share in the rehabilitation of returned men, evolve and carry out a land-settlement policy, and encourage the development of other natural resources, Mr. Bowser has an attack of hysterics and is afraid we are borrowing too much. You see, it matters not what we do, according to Mr. Bowser it must be wrong.

I do not think the Government need make any apology for the administration of its financial affairs. It has kept its expenditures within bounds since it took office and not a single dollar has been borrowed to cover current expenditure since it took office.

Price-Waterhouse Report.

The financial status of the Province furnishes Mr. Bowser with occasion, or excuse, to make a reference to the report of the firm of auditors engaged by this Government, Messrs. Price, Waterhouse & Co. The Leader of the Opposition says they were called in to determine whether the Conservative Government had squandered the people's money or not. One thing these auditors found was assets for roads, bridges, and public buildings reaching a total value of $32,000,000. He said that is what the present Government is raising loans on. Here again he is guilty of one of those incomprehensible perversions of fact for which one must learn to look every time Mr. Bowser makes a public speech.

The Price-Waterhouse report showed that the capital assets of the Province in the form of buildings, roads, bridges, wharves, road machinery, printing plant, etc., were $13,000,000. But the report shows also that the people of this Province, through the administration of our Conservative predecessors, had paid under the above heads a total of $40,000,000. This proves indisputably what we Liberals always contended, that the McBride-Bowser regime wasted half or two-thirds of the money they spent. The certificate of good character which Mr. Bowser claims was given his Government by this report is not very flattering, and will not be quoted when the Conservative Opposition makes a fresh appeal to the voters of the country. Here are some of the items brought out in that report:—

(*a.*)	Loan Act of 1914, arrears of sinking fund.....	$ 145,000
(*b.*)	Dyking debentures, arrears of sinking fund.....	70,000
(*c.*)	Liabilities for debts not taken into account.....	582,000
(*d.*)	Government paid P.G.E. Railway in excess of amount authorized under Statute.....	5,704,000
(*e.*)	Paid to Canadian Northern Company on account of guaranteed bonds, in excess of Statute.....	4,700,000

The report of these auditors states further, and I quote you the exact words, "the system of book-keeping under the former Government was so slipshod that the financial position of the Province is impossible to determine."

Perhaps that is the assurance upon which the present Government has been borrowing money! Mr. Bowser repeats this tale about a "certificate of good character" from Price, Waterhouse & Co. so often that he must have come to believe it himself. How would you like to employ a board

of managers again with a return to their slipshod methods? How far will you trust a man as Leader of a Government who while in office paid out $10,000,000 more of your money than he had any statutory authority to pay?

Ministers Joy-riding.

The subject of Ministers' travelling expenses is one out of which the Liberal Opposition made a good deal of capital in the McBride-Bowser regime. Mr. Bowser—let us say in a spirit of sportive retaliation—takes a fling at the same thing now. He told you of trips of forestry men to London; of Ministers to conventions. He says, if they could not make it New York make it Boston, or San Francisco, Montreal, Toronto, or Ottawa. In one case they compromised on Winnipeg. Provincial Ministers were sent to Ottawa, he says, to help make Mackenzie King Leader of the Liberal Party—and all this on the money of the people.

Mr. Bowser may have thought himself humorous—or he may have thought his hearers were dense—when he made these statements. He is no less extravagant in statement in his humorous moments than when he tries to be serious. I propose to make clear two particular features of this well-worn subject of Ministers' travelling accounts. The first thing I propose to show is that the criticisms and strictures of the Liberals when in opposition were warranted by the facts, and the second thing I intend to make clear is that there is no extravagant expenditures being made under the present regime. I can do this best by submitting a table showing comparative expenditures covering several years by each Government. Here it is:—

Travelling Expenses of Cabinet Ministers in Specified Years.

McBride-Bowser Regime		Brewster-Oliver Regime	
Year.	Amount.	Year.	Amount.
1910-11	$10,196 50	1916-17 (4 mos.)	$ 583 05
1911-12	24,454 85	1917-18	8,755 49
1912-13	16,732 72	1918-19	8,955 72
1913-14	10,933 75	1919-20, Public Accounts not out.	
1914-15	12,159 31		
1915-16	8,178 90		
1916-17 (8 mos.)	4,264 16		

Thus in six years and eight months the McBride-Bowser Ministry spent $86,920.19, or an average of more than $14,000 each year; while in the two years and four months the Brewster-Oliver Ministry has been in power the yearly expense account has been $7,800.

Now I want to ask you, ladies and gentlemen—in view of the fact that the McBride-Bowser Cabinet was not a full Cabinet for some considerable time toward the end of their regime, and in view of the further fact that living expenses, on trains and boats, railway and steamship fares, and every other item in the cost of travel has nearly doubled in the last few years—I want to ask you, how do you think the present Ministers have succeeded in doing so much "joy-riding" on these figures? Does it not

show commendable business ability that they were able to travel about enough to do the business of the country, pay all the increased cost of travel and living, and do it on $7,800 per year, as compared with the McBride-Bowser Cabinet at a cost of $14,500?

Here you have not the same access to the Public Accounts as we have in Victoria. And, anyway, you are not required to acquaint yourselves with items of detail in such matters. But surely no public man has a right to come here and try to deceive you in a matter of this kind. You have a right to expect that public men addressing public bodies will not take advantage of a situation with which his hearers is unfamiliar and deliberately mislead them in matters of fact. And there are the figures to show you the facts.

While I am dealing with the question, I will add that the money of the people is not being nor has it been used to send Ministers to conventions and make party leaders at Ottawa. The Hon. the Premier, the Minister of Lands, and the Minister of Public Works were in Ottawa at the time of the convention. But their visits to Ottawa were prearranged with Ottawa Ministers and departmental heads long before that convention was called or its dates fixed. I will go farther and inform you that when the late Premier Brewster was in Ottawa, if he went to Toronto to spend a week-end, he paid his own expenses. I will tell you that when Premier Oliver is in Ottawa, if he goes to spend a few days with his aged father, he pays his own expenses. I will tell you that no member of the present Cabinet ever spends a cent of public money on personal excursions of any kind. I need not venture to suggest that if the same rule had been followed during the McBride-Bowser regime the Public Accounts might not have been taxed quite so heavily in the matter of travelling expenses of Ministers.

Civil Service Expenditure.

I find that the Leader of the Opposition has been equally unscrupulous in his reference to overhead charges and expenditure on the Civil Service. In fact, I find in his speech an excellent text for what I want to say. If I came here and told you, right out of mouth and of my own volition, exactly what the Government has done in all its departments you might conclude that I am boasting of our accomplishments. I can kill two birds with one shot by showing you at the same time the garrulous misrepresentations made by Mr. Bowser and disclosing the actual situation. I am not yet convinced whether Mr. Bowser was trying to be funny or whether he took himself seriously, but I should regret to hope he wished you to believe what he told you about the Civil Service. He said that when the war broke out the Government (that would be the Bowser Government) encouraged its Civil Servants to enlist, and it was understood that wives of those who enlisted were to receive from the Government the difference between the military pay of $1.10 per diem and the amount of their salaries at the time of enlisting. Also that they were to have the same positions when they returned. It is true that such an arrangement was undertaken by the Bowser Government, and it applied

not only in the case of married men, but single men. They with dependents were to get out of the Public Treasury the difference between their military pay and their salaries.

Mr. Bowser goes on to say that the Liberals filled all the best positions with their own followers and in many cases soldiers were given inferior places on their return. He said new appointments were given to returned soldiers who had not been in the Service, but care was taken to find out what politics men were before they had enlisted. Mr. Bowser is very funny this time. It does not occur to him that a returned soldier may have found out overseas that he had been a Liberal all the time, but didn't know it. Mr. Bowser has had altogether too much and too long experience in making purely "political" appointments to know how that problem works itself out.

I will enlighten you as to the facts in regard to this matter. The return for the fiscal year 1918-19 showed that 114 returned men had been employed in permanent positions and 109 in temporary positions. In other words, in that year 90 per cent. of our vacant positions went to returned men. If you compare this with other Western Provinces you will find that this percentage is about double Saskatchewan's case and more than double in the other cases. A report from the Civil Service Commissioner bringing the matter down to quite recent date showed that out of 187 appointments made 89 went to returned men, 81 to women and juniors, and only 17 to civilians. That is to say, 84 per cent. were returned men. In March of this year the record of the Civil Service Office shows that 203 men had been reinstated, not a single man unplaced, and the increases in salaries had gone on during their absence. The average salaries of overseas Civil Servants at the time of enlistment was $95.53 per month and at December 31st, 1919, it was $126.24. All Civil Servants who returned from overseas have had their former or else better positions restored to them. I make exception only of a few who did not desire to return to Government employ.

It is true that new appointments in the Civil Service were given returned soldiers who had not been in service at the time of enlistment, as Mr. Bowser says. That was the avowed policy of the Government; that all vacancies should be filled by returned men where they were capable and desirous of such appointment. But it is untrue, positively, that these men were put in the best positions and the former Civil Servants had to take what was left. All the records of the Department confirm my statement.

But Mr. Bowser has another grievance. He says the Civil Service costs too much; that it cost too much the last year the Conservatives were in power. He even went so far as to promise you that, should he be re-elected, he would reduce the cost below what it was the last year he was in control of the Government.

I hope the Civil Servants of this Province are taking note of this promise Mr. Bowser made you. There are only two ways in which the cost of overhead can be reduced. One is to cut the salaries of Civil Servants and the other is to dispense with their services. Are the Civil

Servants overpaid? They do not think so. The Government has had two long years of strenuous demand for further and further increases in salaries of Civil Servants. Material advances have been made, but Civil Servants, as a body, do not feel that they are paid enough. Are there too many of them? I can say only that they all are reasonably busy and that no unnecessary positions have been created.

Mr. Bowser gives you some figures showing the comparative cost of overhead in his time and in ours. It is true the figures are not the correct figures, but it scarcely would serve his purpose to state the case correctly. He told you that the last year his Government was in office overhead expenses amounted to $1,661,000; that the Liberals were elected in 1917, in which year overhead went up to $1,764,000, or an increase of $100,000. Both these years are wrongly stated, for the amount for 1916-17 was $1,477,000 and for 1917-18, the first year of Liberal regime, it was $1,336,000. In their first year of office, therefore, the present Government reduced overhead expenditure by $220,000. He says that by 1918-19 they had risen to $1,982,000, and this increase was to help out Liberal fol lowers. What a gratuitous insult that statement must appear to an intelligent audience who may be presumed to know that there were large increases in salaries during that year. The imperative necessity, owing to increased cost of living, compelled this increase.

Then he went on to tell you that for 1919-20 they had gone up to $2,270,975, which he accounted for by saying: "The boys were still crying for more, and the Government said, 'Come 'on boys,' etc.," meaning, of course, the Liberal "boys." That must have sounded very convincing and was altogether too grave a statement to be accounted humorous. But Mr. Bowser did not tell you that a new system of accounting had been adopted by the Government, and that for the first time in the history of the Province everything was charged up to overhead that properly was chargeable. The statement in the Public Accounts of 1915-16, under the old system, gave Civil Service salaries as $1,596,000, whereas the actual expenditure to this account was $2,100,000. Half a million chargeable to this account was not so shown. It is not fair to tell any audience half the truth.

I am free to confess to you that there have been marked increases in salaries of Civil Servants and general overhead. I am free to tell you that I feel often, and other members of the Government feel, that the overhead expenses of the Provincial administration seem disproportionate to expenditure as a whole. But there are explanations as to why this is the case, and, to my mind, they are perfectly valid and satisfactory explanations.

In the first place, we have not compact, solid, and continuous settlement in the Province. Our community centres are scattered and in many cases isolated. Yet it is necessary to maintain Government offices and agencies at convenient locations throughout this whole vast area. People cannot be compelled to travel long distances in order to record land claims or mineral claims or transact such other business with the Government as may arise. They must have, within reasonable distance, access to Govern-

ment offices, and this has imposed on the Government an expenditure considerably in excess of that of other Provinces. Our Lands Department costs us in salaries alone $170,000, while in the Prairie Provinces the lands are administered by the Dominion Government. Similarly, the salaries in the Provincial Police Department run into $200,000, as compared with $36,000 in Manitoba, where the major portion of policing is done by municipalities or the R.N.W.M.P. We cannot close up any of these agencies, and even now we have occasional complaints that the convenience of outlying districts is not fully met.

I do not know how fully Mr. Bowser went into the work of the Civil Service Department when he addressed you. I do know that in his speech in the debate in reply to the Address from the Throne he made the statement that "every new appointee by the present Government received a substantial increase while the old servants received little or no consideration." He made this statement in a criticism of the work of regrading that was done under the new "Civil Service Act" which was brought into effect by the present Government.

I am glad that he spoke of this regrading, as it gives me an opportunity to show that the Government has grappled with the cost of Civil Service and has sought to make an equitable adjustment of the salaries of Civil Servants, as well as having regard to the considerably increased cost of living. I believe that most people—even many of the Civil Servants themselves—do not understand or appreciate the scope of this work. What, then, are the facts?

There are 333 men at present in the Service receiving $125 per month and upwards. Of these, 171 were in the Service in March, 1914, and were receiving an average of $171.60 per month. In March, 1917, these men were receiving $179.80 per month, and in December, 1919, they were paid an average of $205.40 per month. Now, take the same class of men—averaging $125 per month and upwards—appointed by this Government. These men were receiving in March, 1919, $195.65, or an average of $11 less than the old staff members in the same class. At present there are 789 men in the Service drawing $125 per month average, 543 of whom were in the Service in 1917 receiving an average salary of $90.89, and in December, 1919—after regrading—they were receiving $126.78, or an increase of $36 per month. Since 1919 there have been 125 men appointed at an average salary of $195.67 per month, which is $10 per month less than the old Servants in the same class were paid at that time. The remainder of 246 appointed since March, 1917, are drawing $106.05, which is $20 per month below those who formerly were in the Service in the same classes.

At present there are 216 females employed in the Civil Service. There were 84 in the Service in March, 1917, receiving an average salary of $71.42, and in December, 1919, an average salary of $86.27, which is an increase of $15 per month. The balance of 132 new appointees are drawing an average salary of $70.39 per month.

You will perceive, therefore, that in the work of regrading—a heavy and responsible task devolving upon the Civil Service Commissioner and the

Executive Council—the most careful attention was given to every phase of every question involved. I think you will agree that the most equitable adjustment feasible has been made, and it is not true that new appointees have received considerations not given to the old staff. More than that, these figures will explain clearly why there has been so appreciable an increase in the cost of the Civil Service. With wages of labourers rising in every other kind of employment and the cost of the necessaries of life mounting higher all the time, it was not possible for the Government to ignore the position of Civil Servants.

University of British Columbia.

The Leader of the Opposition touched—a little lightly, it is true—on the educational policy of the present Government, and made slighting reference to the statement of the Minister of Education that $5,000,000 is proposed for expenditure on higher education. Mr. Bowser affirmed he would prefer more "Little Red School-houses" in the outlying districts, in order that children might learn to read and write, rather than see this sum expended on the University.

This is a strange way for the man to talk who was the right-hand man in the Government that founded the British Columbia University. The present Government did not found or embark upon the University scheme. Like so many other heirlooms, this was a "legacy" from the Government of which Mr. Bowser was one of the twin heads. Let me give you a little of the actual history of University affairs as they were handled by the previous Government.

As far back as 1908 the McBride-Bowser Government passed an Act establishing a Provincial University. It was only a few months before this session that the Government of Sir Richard McBride began to become the McBride-Bowser Government of doubtful fame, for it was in 1907 that Mr. Bowser entered that Government as Attorney-General. To show you what a monument to the incompetency of that composite Government was erected, I may tell you that they established a University and they engaged a staff. But they failed to make any permanent provision - that is, financial provision—for the erection of buildings or even payment of the staff. The only thing of this kind that they did was to appropriate some $200,000 for the use of the Board of Governors, permitting them to use this money as they saw fit. It is true they agreed to set aside 2,000,000 acres of land for University purposes. This land was located somewhere in the Central Interior of the Province, but, as a matter of fact, these lands never were conveyed to the University Governors nor has a single dollar been raised or realized from them.

When this Government assumed office we found a University staff of some thirty-five or forty teachers and professors—with an attendance of students of some 350—housed in a section of the Vancouver General Hospital, with a president in charge with a salary of $10,000 per annum and additional living allowance of $1,500 per annum. This was a larger salary than was paid to any other university president in Canada. Many of these teachers were under contract for from one to ten years. The

University Act provided also that there should be no fees charged of students in attendance. No other university in Canada ever was established on such a basis. I recite these facts to show you how unbusinesslike and wholly haphazard was the founding of an important institution handed over to us as one of the "legacies" of the McBride-Bowser Administration. Our policy has been to try to place the affairs of this institution on a business basis, and Mr. Bowser has some temerity when he comes before you and offers any criticism of our handling of the situation.

Other Canadian Provinces have universities maintained largely out of public funds, but certain revenues are ear-marked for university purposes. In short, these Provinces took of public moneys a certain proportion for higher educational purposes, while the McBride-Bowser Government, during the last few years in British Columbia, spent the public money erecting gaols and Court-houses, many of them 100 years beyond the requirements of their localities.

The policy we have adopted provides for making a yearly grant for the maintenance of the University. The erection of the proposed University buildings will not, directly, cost the Province a single dollar, as their construction will be financed out of the sale of Government lands at Point Grey. These lands now are lying idle and unproductive, not yielding a dollar even for taxation.

The previous Government began their plans for the University with no policy providing for the erection of suitable buildings. Yet there is a letter on file, a letter from the old Government to the Board of Governors, that they would have available for capital expenditures up to $2,800,000 by the end of 1915. The proposed capital expenditure up to the end of 1918 was to be $6,398,000, without a single practicable or businesslike move to provide the money.

You know, perhaps, how the Vancouver and Coast papers were full of the visionary schemes and bombast about these University plans and what vast sums the Government was going to place at the disposal of the Board. Yet when we took office the total capital expenditure was in the neighbourhood of $150,000.

I must tell you now that when I introduced the University Bill in the House, a Bill providing, as I have stated, for the erection of buildings on the credit of Point Grey Government lands, the Bill passed the House unanimously. Mr. Bowser and every member of his party supported it. Yet now, Mr. Bowser complains that he would prefer to see "'Little Red School-houses' built in outlying districts so that children can learn to read and write, etc." What cheap political clap-trap this sort of campaigning must appear to you.

"Little Red School-houses!" I will tell you that since this Government assumed office there has not been a single refusal on the part of the Government to erect new school buildings in outlying districts where the erection of such buildings was recommended by our School Inspectors. There have been criticisms in a few cases because the Government has refused to pay 60 per cent. of the cost of erecting school-houses in the municipalities. My contention, however, has been that municipalities

should bear a greater proportion of this cost so as to permit the erection of school houses in sparsely settled localities. Surely you will agree that this is not an unwise policy.

Hospital Administration.

It was an easy drop for Mr. Bowser, while attacking the departments I have the honour to administer, to pay momentary attention to the hospital policy. He did not say much—only that I propose to increase the grants to hospitals, but many will die while I am thinking about it. Yet he said enough to give me an excuse for telling you just what we are doing in the matter of hospital support.

When we came into office we continued the policy of the former Government and gave the same financial support to hospitals as had been their practice. Under the stress of the influenza epidemic this policy proved ineffective, and we found several respects in which it was manifestly an unsound policy. As a result of these incidents we have improved the policy and made hospital service throughout the country much more efficient. In one notable instance I may emphasize the fact that we have now a qualified medical man as Inspector of Hospitals instead of a barber, as was the case under the previous Government.

We also have allowed general hospitals $1 per diem for the care of T.B.C. patients, so that these will be maintained in hospitals rather than moving round among the people and spreading the disease. More than this, we are taking over Tranquille Sanatorium, so that patients at the onset of the disease can be isolated in an institution equipped to care for them, and where they will have every possible opportunity to recover their normal health.

These are not things that we have been "thinking" about, but things that we have done. In other respects we are adapting our policy to the necessities of the case as rapidly as circumstances show us this necessity and we can provide the funds for the purpose.

Dolly Varden Legislation.

In the matter of the Dolly Varden Mines legislation, Mr. Bowser gave you to understand that, although the 1919 Act had passed the House unanimously, yet in 1920 nine Conservatives and two Liberals voted against the amended legislation. He went on to explain his own position, and stated that he regarded the Act of 1920 as the most dangerous piece of legislation passed since British Columbia entered Confederation in 1871, as it took away the jurisdiction of the Courts and turned the Legislature into a "Small Debts Court." He feared greatly that Eastern capital—commonly known to be very timorous—would be frightened and stay out of the country while such an Act is in force, as titles are insecure under such legislation.

How easily and needlessly is Mr. Bowser frightened. The original Dolly Varden Mines Act was passed in 1919 and received the unanimous support of the House. The Dolly Varden Mines Company asked the Ottawa authorities to disallow this Act. The Dominion Government refused to exercise this power and the Act became law.

In spite of the fact that the Dominion Government refused to disallow the 1919 Act, the passing of time showed that there was a slight technical defect in the phrasing of the Act. You know very well that all Legislatures pass Acts with certain specific objects in view. In other words, the Act establishes a principle. But in the working-out of this principle it often happens that an Act is not sufficiently clear—is liable to ambiguous interpretation. The Dolly Varden Mines Act of 1919 had such a defect. There was a clause in it that might be construed to mean that the Provincial Government was encroaching on matters dealt with in the "Bankruptcy Act," which is a Dominion Act. The amending Act, passed in the last session, was passed to make it clear and positive that the 1919 Act was not so intended and could not so operate. And out of this mole-hill of fact Mr. Bowser erects a mountain of difficulty, going into hysterics over a matter that has since been settled amicably between the contending parties.

In his speech here Mr. Bowser tried to introduce a little cheap humour into his remarks by poking fun at the Premier's sobriquet, "Honest John," and in this connection he stated that the Premier neither admitted nor denied that money had passed in the Legislature during the consideration of this Bill. Premier Oliver must have done *something*, at some time or other, that occasioned the coining of that sobriquet. And, whatever the circumstances that occasioned the title, it has stuck to the Premier through all his years in public life. Is Mr. Bowser jealous of it? Or did you ever hear of any one, at any time, referring to Mr. Bowser as "Honest William"?

But let us get square with the facts in this matter. Why should the Premier affirm or deny this assertion? The Premier affirms that he has no knowledge of any money passing in this connection. He has stated, both on the floor of the House and outside, that the Elliott statements were wilfully false and malicious. When Elliott was giving evidence under oath he was forced to admit that he had reference, in this charge, to the employment of a Mr. Wismer as a solicitor. Pressed hard to say what he meant by "money passing," he admitted that it might mean anything; he had had in mind the payment of Mr. Wismer. Now, Mr. Wismer was counsel for one of the contending parties. Lawyers do not do corporation work for nothing, and presumably Mr. Wismer was paid by the corporation employing him. So that, if Mr. Wismer has been paid for his work, that is what Elliott meant when he charged that "money passed."

The Opposition is trying to prove too much. Mr. Elliott gave the Premier the whole credit for having this legislation passed. If what he says in this connection is true, why was it necessary for the Taylor Engineering Company to use money corruptly to secure such legislation? If the Premier "bulldozed" the Legislature, as Elliott affirmed, why should the members have to be corrupted? There must be some degree of consistency in these matters, and where charges conflict in reason it is not likely they are founded in truth.

In his address here Mr. Bowser referred to the Premier's "boast" that he (the Premier) could have put Mr. Bowser in gaol in connection with a matter of campaign funds. Mr. Bowser stated that the truth of the whole matter was that he had been cross-questioned by a "Kangaroo" Committee composed of Liberals. He said he realized that he would not have one chance in the world with such a "bunch," and that he told them he was prepared to give information of what he knew in connection with "campaign funds" when brought before a proper tribunal. And there the matter had dropped.

Before proceeding to correct the principal misrepresentation of the Premier's position regarding this matter, I might point out that the "Kangaroo" Committee before which Mr. Bowser appeared had among its personnel Mr. W. R. Ross, Mr. L. W. Shatford (now Senator Shatford), and Mr. R. H. Pooley, all members of the Legislature and of Mr. Bowser's political party. Surely these three powerful members of his own party could have protected Mr. Bowser from the Liberal four whom he characterizes as a "bunch."

Again, I might point out that Mr. Bowser at no time stated to the Committee that he was prepared to give information when brought before a proper tribunal. This evidently was one of his happy or unhappy afterthoughts. You will find the evidence of Mr. Bowser reported in full on pages J 634 and J 635 of the Report of the Select Committee of the Legislature appointed March 14th, 1917. In that report you will find that Mr. Bowser refused, positively and definitely, six times, to "answer any questions along that line."

More than this, Hon. Premier Oliver never made the statement which Mr. Bowser attributed to him. The Hon. the Premier has said, however, and his statement can be proved, "that in the Pacific Great Eastern inquiry Mr. Bowser had taken a solemn oath that he would tell the truth, the whole truth, and nothing but the truth. Yet when he was questioned in respect of the $500,000, part of which was to pay the campaign funds of the Conservative Party—as sworn by Mr. D'Arcy Tate—Mr. Bowser refused to answer and thus violated his oath."

The only way to attempt to compel Mr. Bowser to answer these questions would be to summon him before the Bar of the House. If he refused to answer the questions asked him there he could be committed to gaol. Supposing this had been done! What a hue and cry would have gone up from Mr. Bowser and from the opponents of the Government, who would have been accused of taking this method to suppress and be rid of Mr. Bowser. It would have been asserted loudly and vehemently that the Government had been afraid of Mr. Bowser's criticisms on the floor of the House and that they had locked him up to keep him from his place during the session. But, apart from that, Mr. Bowser has no licence to come here and tell you misleading things about the Premier's statements and about his own when you have no convenient way of verifying or correcting his assertions.

The irresponsible and extravagant statements made by the Leader of the Opposition in discussing this matter before you are quite in keeping with the reckless disregard of facts which characterizes his speeches throughout the country. Of one thing only can you be sure—that is, that whatever the Government has done has been wrongly done according to Mr. Bowser. He has not made a single practicable or helpful suggestion since the grave problem of soldiers' civil re-establishment confronted the people and Governments of Canada. Everything, so far as the Province is concerned, has been of a fault-finding nature. He has conducted an ill-advised campaign of criticism well calculated to excite unrest, dissatisfaction, and disagreement among these men instead of encouraging and assisting them to face their problems.

No greater problem—apart from war problems—was ever faced by the nations of the world than the problem of the rehabilitation of their returned soldiers. Great Britain and every Overseas Dominion have engaged the thought and sympathy of their best men in its solution. Nearly every Province of Canada has had to face new and strenuous conditions evolving out of the war. Every Province has had to share this responsibility and British Columbia has had more than its share of the burden. No Province faced the problems more earnestly, sympathetically, patriotically, or successfully than British Columbia. Let me go into this matter carefully and see whether there is any justification, or even excuse, for the tirade of abuse and misrepresentation heaped upon this Government by Mr. Bowser.

Very early in 1918—as soon as there began to be a prospect of a definite conclusion of the war—Premier Oliver urged upon the Ottawa Government the holding of a conference of Provincial Premiers to discuss the approaching problem of civil re-establishment and agree upon a uniform plan of concerted action. Such a conference was held in Ottawa in September, 1918, and the legislation already passed by the British Columbia Government formed a basis for negotiations. A policy was agreed upon, and the chief feature of that policy was the recognition and pronouncement, made by the Dominion Government, that the problem of rehabilitation was a Dominion problem. The Federal Government, while asking the co-operation of the Provinces, specifically conditioned that the Provinces do nothing to interfere with or duplicate the policies of the Federal authorities. They assumed—and quite properly assumed—full responsibility in the premises. In the meantime the Provincial Government set aside lands for soldier settlements; they continued to reinstate men in their old positions and filled every vacancy in Government employment with returned men who possessed qualifications for such positions. They created new departments and officered them with returned men.

Then came the "Asia Committee," a body of several hundred first-class men who sailed direct from England to British Columbia. These men organized on shipboard during their passage out and on their arrival presented a scheme of land settlement to the Provincial Government. The chief feature of this scheme was a plan for "community" settlement.

The Government was bound by its obligation to enter into no bargains or undertakings that would conflict with the plans adopted at Ottawa. And the Ottawa Government was averse to community settlements. Did the Government dull the keen edge of the zeal of these courageous men whose minds were set on carrying out their plans? Not at all. They sent a committee of these men to Ottawa to lay their scheme before the Government there. And they did the right thing in doing so. What a howl of dissembled rage Mr. Bowser would have raised if the Government had met these projects with cold refusal. At any rate, as a result of protracted deliberations the two Governments reached a *modus vivendi* and a plan of associated settlement was entered upon. Land was selected and the men put to work clearing and bringing it under cultivation. All parties to this arrangement had to face the facts of cold, hard, practical experience; all had something to learn and contingencies were to be met when they arose. I may state that up to this time the experiment has been more than justified. Notwithstanding the fact that many of the men had little practical experience in land-clearing, they attacked their work seriously and adapted themselves to their new conditions with commendable zeal.

Mr. Bowser told you that $2,320,000 had been spent in this work on "soldier settlement areas," but at present no soldier has title to a foot of land in British Columbia under the Act. All they have got out of it, he says, is $4 per day for land-clearing. They are no nearer getting title, he says, than they were two years ago and the clearing has cost $150 per acre. He says the Provincial Government is afraid to tell the people how much it has cost to clear these lands, but, when they eventually do, the Dominion Government will send appraisers to value the land and the people of British Columbia will have to pay the difference between this appraisal and the cost of clearing, etc. Worse than this, he says, the soldiers cannot draw on the Dominion Government until they have a title to the land.

These statements combine cleverly devised but disingenuous and misleading assertions with flights of imagination worthy of a much better cause. The amount expended on soldier settlement areas, all of which is chargeable to their lands and will be repaid, at June 15th of this year was $930,000, and not $2,320,000 as Mr. Bowser says. If there is one thing Mr. Bowser is more reckless about than truth it is in his handling of figures and statistics, especially in connection with money matters, expenditures, interest, loans, public debts, and so on. Half a million or a million dollars more or less does not matter. He just turns his tongue loose and lets it talk. In one case, however—and let us do him justice—he understates a figure. He says clearing costs $150 per acre. It cost more than that at Courtenay, where the outlay was slightly over $200 per acre. It is much less at Creston—only about $100 per acre; but the Government is not afraid to tell you what it has cost. Does Mr. Bowser intend to accuse these hard-working men of idleness? Or does he not know that the cost of clearing land is determined by the character of clearing undertaken? These lands have been

cleared thoroughly and made ready for a high degree of cultivation. No one could foretell the cost of clearing, but any one knowing anything at all about such operations in British Columbia will testify that, even at the highest figure, the labour and cost are not excessive.

Now, as to these men not having title to their lands, the policy throughout Canada—with both Dominion and Provincial Boards—is to give no title until obligations have been met, to some extent, by settlers. Under the Land Settlement Board all settlers have certificates of allotment and will be given their agreements of sale as soon as they take up their farms.

Titles will be passed to the Soldiers' Settlement Board (the Dominion Board) as soon as it is considered that the full duties of the Provincial Land Settlement Board have been fulfilled to settlers in the matter of advances. A number of transfers of this kind already have taken place in land settlement areas in the Interior of the Province. Both these Boards have acted in complete concord and are administering their affairs in the best interests of the settlers, as well as taking care of the public interest in these expenditures.

In due time these lands will be appraised at their actual value as agricultural lands in their respective communities and without regard to the cost of clearing. This method has been adopted at the Merville Settlement near Courtenay, where the settlers know the price of their lands and are satisfied. The difference between the cost of clearing and appraised value of these lands will be made up to the Province at large—and more than made up—by reason of the fact that these large additional areas will have been brought under intensive cultivation and the production within the Province considerably increased. Every addition of this kind to the resources of the Province is of inestimable value.

In the opinion of Mr. Bowser every man in any responsible position in the employ of the present Government is either incompetent or worse. In this spirit he attacks Colonel Griffin and the irrigation project in South Okanagan. He says Colonel Griffin is incompetent, but nevertheless well paid. That a sawmill was put in to help in clearing land, and that Colonel Griffin is allowed 5 per centum on forced accounts on lumber costs, camp supplies, and the like. Broad general statements, flung out without regard to fact and bearing the stamp of malice, are not the best means of establishing a criticism of the Government. Colonel Griffin is a contractor in charge of certain Government work and receives 5 per centum of certain costs as remuneration for his work. The per centum basis of remuneration is common in practice and being more universally adopted on public and private contracts in all countries. Colonel Griffin is a most competent manager—in spite of Mr. Bowser's opinion to the contrary—and the work he superintends is being done in a manner that effects considerable saving to the Government. The sawmill was not put in to help clear the land, for there is no timber on the land. It was established to furnish lumber for fluming and house-construction more cheaply than it could be supplied in other ways. The whole project is carried on with a view to the strictest economy and the work is being done in an eminently satisfactory manner. But no one is safe from

derogation by Mr. Bowser if he has the handling of any Government money or the doing of any work under Government employ. It is a most remarkable situation that no matter how competent or honest or trustworthy or trusted a man may have been before, just so soon as he undertakes any work for the present Government he falls down in Mr. Bowser's opinion and becomes an outlaw and must be treated with suspicion and contempt.

Land Settlement Policy.

I want to say, now, that all these details are but a part of a policy of land settlement inaugurated by this Government under the pressure of necessitous circumstances. When we took office we found an "Agricultural Credits" Commission in existence, operating under an Act of the last Government. The functions of this Commission were good as far as they went. But their powers were not considered wide enough. The development and settlement of our vast country demand something more than provision for the loaning of money to farmers under conditions easier than the chartered banks will allow. Some measures had to be adopted which would encourage actual new settlement and the subjugation of new tracts of arable land.

Over the whole of the American Continent the movement has been away from the land. Industrial expansion, manufacture, and specialization in industry absorbed too large a percentage of the former rural population and not enough people were left behind to keep agricultural production up to the actual requirements of the nation. The result has been a phenomenal and unbearable increase in the cost of living. We are paying a heavy penalty for our industrial development, and there are many economists writing and speaking to-day who tell us that we shall be called upon not only to suffer greater distress in the matter of high cost of foodstuffs, but actual famine is threatening us.

Here in British Columbia, through the policy of the former Government in alienating large tracts of agricultural lands to speculative and non-productive holders, it was easy to see that this famine would strike us very hard. Some radical measures were necessary to make these lands available for people who wished access to them for productive purposes. It was to meet these increasingly alarming conditions that this Government devised its land settlement policy, creating a Board to administer its "Land Settlement Act." All these undertakings come under that feature of governmental policy.

Such undertakings require time for development and the production of results of evidential value. You cannot have seed-time and harvest in season without clearing and cultivation of lands. We know this is slow and expensive work, more especially in this Province. But what has been accomplished already more than justifies the policy. Already there has been aggressive settlement of certain areas by the owners who chose rather to induce and assist colonization than lose their holdings. The year just closing has witnessed commendable expansion in this way. And the prospects for the next year are more hopeful still.

There is no doubt the long years of war complicated the problem and delayed the realization of many projects perfectly practicable and promising which the Government intends to carry out. The limitations and restrictions imposed by war conditions have had their effect, but they have not proved insurmountable and the good work is going on. A policy broad and safe in its essential features has been established and in a short time will be vindicated. Vexatious details are being eliminated, practical experience is teaching much, both to the Administration and to those who are sharing the benefits of this policy. It is not a time to cry a halt or to try to cripple any movement which will send the right sort of people back to the land. Nor must a few incomplete and perhaps unsatisfactory adventures be held as evidence of the prospective failure of so great and lasting an undertaking.

These matters are not within the purview of my own departments, but I happen to know that experienced agriculturists, statesmen, specialists, financiers, and other men of affairs who are deeply interested in just such questions as these have made a careful investigation of the Government's method of meeting these conditions, and all are unstinted in their commendation of the broad policy adopted. I prefer the confidence and approval of such men to the cavilling and carping criticisms of one of the twin heads of a former Government which neglected these important matters far too long.

I take it that the following references were made in connection with the general criticism of the record of the Government, and particularly of Premier Oliver, in connection with the Pacific Great Eastern Railway settlement made by Mr. Bowser at that time. I find that Mr. Bowser indulged in a number of extravagant and wholly groundless statements in the course of his speech here.

At one place he referred to "7½ per centum forced accounts" going to Mackenzie & Mann. That the Premier once had characterized these men as the biggest rogues running at large, but as soon as the Governmen took over the management of the Pacific Great Eastern Railway the first thing done was to let a contract for its completion to these men. I find also that Mr. Bowser objected to the Government talk of the Pacific Great Eastern Railway as a "legacy," and his statement that, had the Government not set aside the contracts with Foley, Welch & Stewart, but had forced this firm to carry them out, the railway would be in operation now. In this connection Mr. Bowser said that, in spite of all the Liberal shouting, Honest John will not permit an investigation of Pacific Great Eastern Railway matters.

I wish to deal with this tissue of false witness and misrepresentation in the serious manner it calls for. A frank setting forth of the salient facts connected with this matter will show how unscrupulous Mr. Bowser shows himself to be and to what wholly abhorrent lengths he carries his misrepresentations.

I shall take up now Mr. Bowser's statement that the Premier will not permit an investigation of Pacific Great Eastern administration. This assertion is not only wholly without foundation, but is in direct contra-

diction of all the known facts. During the month of November, 1919, Mr. Bowser published an interview in the *Province* newspaper, in which he said: "One of the first things I shall do when the House meets will be to move for a committee to investigate this matter," meaning the removal of certain properties alleged to belong to the Pacific Great Eastern Railway by the terms of its settlement with Foley, Welch & Stewart. In that interview the Leader of the Opposition threatened to call for a committee, submit evidence, and make a complete disclosure of improper transactions on the part of the Government. Well, the House met and a month or more passed without any move of this kind by Mr. Bowser.

In one of his speeches, about the middle of the session, the Premier read extracts from this interview to the assembled Legislature. He asked the Leader of the Opposition whether he would deny the authenticity of or responsibility for publication of the interview. Mr. Bowser made no denial. The Premier then called on Mr. Bowser to make good his promise, or threat, and move for a committee of investigation. Premier Oliver challenged Mr. Bowser to proceed then and there "or else hereafter for ever hold his peace." Premier Oliver sat down at his desk and gave Mr. Bowser full opportunity to accept this challenge. Yet Mr. Bowser did not accept the challenge; he made no motion for a committee, and forced the Premier to say he "was taken as a clam." In the face of so extraordinary an incident Mr. Bowser continues to tour the Province and to repeat in outlying districts his unwarranted and braggart assertion that Premier Oliver blocks investigation of these matters.

This is not the extent of Mr. Bowser's offensiveness in connection with the Pacific Great Eastern Railway settlement. Before any settlement was made Mr. Bowser knew what were the main lines along which the firm of Foley, Welch & Stewart intended to seek an arrangement with the Government. In other words, he knew the offer of settlement this firm intended to submit, and in this connection Mr. Bowser volunteered the statement that he would not oppose settlement along these proposed lines. He went farther than that. He gave a solemn pledge to the Premier of this Province that he would not obstruct the passing of the settlement Act in the Legislature. That was his own pledge, made in writing, voluntarily. Now, after making such a pledge, after sharing responsibility for the settlement as a member of the House and Leader of the Opposition, you see how incapable he is of standing by his own solemn words.

With regard to the contract for the completion of this railway being let to Mackenzie & Mann, as Mr. Bowser alleges, the statement is not true. The Northern Construction Company are the contractors. Mr. A. E. Mann is at the head of that company, and Premier Oliver says: "As far as I know, neither William Mackenzie nor Dann Mann own a dollar of shares in the firm." At all events, tenders were called for; a number were received; the tender of the Northern Construction Company was considered the most advantageous to the Province.

It is not true that the Government is paying a 7½-per-cent. bonus or "forced account," as Mr. Bowser alleges. The method of procedure in letting this contract was like this: (*a*) Tenders were called for on a unit basis; (*b*) Government engineers estimated what the work should cost; (*c*) if the work costs more than the Government estimate, the contractors get just the estimated cost plus 5½ per cent. for doing the work; (*d*) if the work is done for less than the estimated cost, the contracting firm gets 25 per cent. of the difference between the actual cost and estimated cost. These facts are of common knowledge and Mr. Bowser cannot be ignorant of the terms of this contract. There is a reasonable inducement held out to the contractors to do the work at less than the estimated cost where possible, as they lose no money by doing so. What explanation can the supporters of the Leader of the Opposition offer for such flagrant misrepresentation of the contract?

As to the Pacific Great Eastern settlement as arranged between Foley, Welch & Stewart and the Government, the terms of that settlement require the handing-over of the railway and $1,000,000 in cash. All the townsite lands and all the actual railway equipment became the property of the Government. The terms and conditions of this settlement were brought down to the House in the form of a Bill, and this Bill passed the House unanimously. Mr. Bowser not only did not obstruct the Bill, but he, with all his supporters in the House, voted for it. All the Independents and all the Soldier members supported it.

Now Mr. Bowser says a better settlement could have been effected. Why, then, did not he, or some of his supporters, suggest a better method or terms of settlement when the Bill was before the House? There is only one answer to the question; that is that Mr. Bowser and every member of the House knew it was the best settlement that could be effected. Any man who exhibits so little regard for truth and honour as is exhibited by Mr. Bowser in his attitude toward this matter should be driven from public life.

Greenwood Smelter.

Mr. Bowser questioned whether the present Government had put forth much effort to keep the Greenwood smelter in operation. He reverted to the situation in Phoenix some years ago when the Granby was threatened with closing down, and stressed the statement that the Conservative Government then in power had made the necessary arrangements by which mining was continued. He admitted that owing to increases in the price of copper the Granby was able to operate at a profit, and the Government was not called upon to pay over any money on the guarantees it had given.

With reference to the assistance given the Granby smelter at that time, let us look at the situation and see what this boasted assistance amounted to. In the first place, the Granby smelter did not suffer from shortage of ore at that time. But about 1913, immediately prior to the threatened cessation of operations, representations were made to the Government of Sir Richard McBride that owing to the exceptionally low

price of copper the mines would have to close down, as the operations could not be continued excepting at a loss to the company. There was a good deal of unemployment at that time as a result of these conditions. The Government was asked to finance the sales of the company's blister-copper and to assume payment of any loss that might accrue because of the sale of copper below a stated price. This the then Government did.

If a similar situation arose, at Greenwood or any other metalliferous mining centre, the Government of to-day would do the same. I shall be able to demonstrate this by reciting what the present Government appeared willing to do in 1918. But first let me point out and emphasize the difference between the Granby situation in 1913 and the Greenwood situation in 1918.

The Greenwood smelter did not close down on account of the low price of copper, but on account of a shortage of ores. There was not sufficiently ample tonnage of ores available to make the continuous and steady operation of the smelter possible. The Granby had abundance of ore, but could not operate profitably at the price of copper at the time. The Greenwood smelter could not operate continuously because it could not procure sufficient ores. There is a very marked difference between these two sets of conditions. Let me be specific in my explanation of these conditions, because Mr. Bowser appears willing to promise anything to get his fingers again on the purse-strings of the Provincial Treasury.

I have here a table showing the gradual decline in the several classes of ores available to the Greenwood smelter. The statement covers a period of years and explains the situation completely.

Year.	Tonnage of Mother Lode Ores.	Grade of Ore.	Number of Furnaces operating.	Outside (Custom) Tonnage.
1910	359,000	1.20	3	36,000
1911	340,000	1.09	3	217,000
1912	410,000	0.96	2.8	288,000
1913	294,000*	0.81	2	259,000
1914	178,000	0.86	2	106,000
1915	112,000†	0.87	1	7,300
1916	265,000‡	0.95	1.2	23,200
1917	191,000	0.93	1	14,200
1918	162,000	0.87	1	24,000

* Thirteen months. † Eight months. ‡ Six months.

An anlysis of this table shows:—

(*a.*) That tonnage from the Mother Lode was decreasing gradually, and that from 359,000 tons in 1910 the slump was to 191,000 tons in 1917:

(*b.*) That the grade of ore decreased from 1.20 in 1910 to 0.87 in 1918:

(*c.*) That the number of furnaces operated decreased from three in 1910-11 to two from 1912 to 1914 and to one from 1914 to 1918:

(*d.*) That outside, or custom, ores decreased from 288,000 tons in 1912 to 24,000 tons in 1918.

I shall quote from the report of Mr. Lachmond, made in 1913, in which he said:—

"The company's ores, being self-fluxing, represented the base of their smelting operations, all operating profits being derived from the purchase of custom ores.

"It is the intention to increase the custom-smelting business as rapidly as additional ores can be outlined. Engineers and scouts are on the look-out for ores all the time."

Yet from 1913 to 1918, as the previous table shows, the custom ores smelted was reduced from 259,000 tons in 1913 to 24,000 tons in 1918.

The company's report shows that the net loss to the company for 1917 was $3,600 and for 1918 had risen to $170,000.

When Mother Lode ore was getting scarce diamond-drilling was resorted to, and though 10,000 feet of drilling was done no new ore-bodies were discovered. What did the McBride Government do near the end of 1914 to reopen these works? Nothing. But in 1915, when the price of copper advanced, the smelter resumed operations.

In the summer of 1918 it was reported to me that the Greenwood smelter (Canadian Copper Company) was going to close down for want of ready money to erect a reverberatory furnace. I took the matter up immediately and laid the situation before the Government with a view to granting financial assistance to the company to make possible the installation of such a furnace. We could have secured ourselves on the Provincial assets of the Canadian Copper Company, and I had the assurance of the Government that such assistance would be provided. This was the first time in the history of the present Government, or any other Provincial Government, when such an offer of that form of assistance was made.

You will wish to know why the assistance was not actually called for and the installation of the furnace in question not proceeded with. The reason was that the consulting engineer of the company did not approve the construction of such a plant. There you have the whole situation before you, and as a competent jury you are quite able to reach an impartial and just verdict. No smelting operations can be continued unless there is an assured tonnage each and every month. Customs smelters particularly must have such assurance or they cannot operate without loss. The Government went as far as any Government could in its offer to assist the company over its handicap, but the consulting engineer of the company did not regard the outlook sufficiently promising to hazard the undertaking. I leave you to judge for yourselves whether the attitude of the present Government justifies the caustic references of Mr. Bowser to the situation.

From the information I have given—all of which can be verified by the yearly statements of the company and from the annual report of the Minister of Mines—any intelligent man can see that there was no hope of the Government stepping in and keeping these mines and smelter in operation. Any suggestion to the contrary is most unfair criticism and

shows the straits to which the Leader of the Opposition is driven when he endeavours to make political capital out of the situation.

The re-establishment of a smelting industry at Greenwood will depend on the discovery of new ore-bodies of large extent. This will probably be done under our policy of diamond-drilling, but this cannot be undertaken there with fairness until some of the newer fields (which the Act was designed to prove) are first tested.

From Mr. Bowser's speeches and political activities there are several patent conclusions:—

(1.) He misrepresents the activities of his political opponents.

(2.) His public statements are unreliable.

(3.) In his search for candidates to support him where he finds a riding in which a Conservative has no chance to win, he tries to get a soldier, a farmer, or a labour candidate in the field to oppose the Government. These will not be real soldier, labour, or farmer candidates, but will be Bowser candidates in disguise.